



Quality is Our Bottom Line

Insurance Committee Public Hearing

Tuesday, March 18, 2014

Connecticut Association of Health Plans

Testimony in Opposition to

HB 5579 AAC EXTENDING THE GRACE PERIOD FOR NONPAYMENT OF PREMIUM FOR CERTAIN HEALTH PLANS AND CONCERNING DISCLOSURE BY HEALTH CARRIERS TO HEALTH CARE PROVIDERS OF ENROLLEES' PAID-UP STATUS

The Connecticut Association of Health Plans *strongly opposes* HB 5579. The bill, as drafted, would require a 90 day grace period for non-payment of premium and a wide range of other requirements that go far above and beyond what's required under the Affordable Care Act (ACA). The proposal sends a rather disturbing message in that it suggests that doctors, whom we understand requested the bill, are adverse to doing the same preliminary work for Exchange enrollees that they would routinely do for other patients ~ check enrollment status prior to service.

Furthermore, we should acknowledge and congratulate Connecticut's residents on making our state the first in the nation in terms of paid enrollees. Yesterday's media reported that 92% of Exchange enrollees have made their enrollment official by paying the associated premium. That is encouraging news for all of us and it demonstrates the considerable effort that's being made on the part of the Exchange and the carriers in making sure premium is collected. It also argues against passage of this bill.

The ACA already speaks to the issues of non-payment of premium and requires that claims be pended in days 31-90. If the premium due is then paid, claims incurred during that period will be paid. If the premium due is not paid, claims will be denied. To do otherwise, would allow for "gaming" in the system that would undermine the entire program.

Health carriers have every incentive to collect the timely payment of premium and have already implemented numerous processes to provide "real-time" notification and access as to eligibility and coverage status. Health plans are employing various forms of technology, such as provider and member portals, to assure ready access to the information. The "paper" notification provisions proposed under the bill would not only prove redundant, costly and burdensome, they would also likely have the exact opposite effect of their intent by slowing down treatment plans while awaiting the day's mail delivery. HB 5579 would literally inundate everyone with paper ~ with no benefit.

Before considering a solution, we should wait to see if Connecticut experiences a problem. Herculean efforts have been undertaken to get health care reform off the ground and the industry would strongly encourage policy makers to let the dust settle before adding on new layers of regulation.

Thank you for your consideration.